



TOWN OF GIBSONVILLE

129 WEST MAIN STREET

GIBSONVILLE, N. C. 27249

OFFICE OF THE TOWN MANAGER

PHONE (336) 449-4144

December 4, 2020

Joint Legislative Committee on Local Government
Attention: Committee Chairs and Committee Assistant
North Carolina General Assembly
Legislative Building
16 West Jones Street
Raleigh, North Carolina 27601

Fiscal Research Division
Attention: Director
North Carolina General Assembly
Legislative Office Building
300 North Salisbury Street, Suite 619
Raleigh, North Carolina 27603-5925

**Notice to the Joint Legislative Committee on Local Government
Concerning Proposed Financing by the Town of Gibsonville**

To The Committee:

In accordance with Section 120-1-157.2(a) of the General Statutes of North Carolina, as amended, the Town of Gibsonville, North Carolina (the "Town") hereby notifies you of its intent to enter into an installment financing (the "Agreement") pursuant to Section 160A-20 of the General Statutes of North Carolina in the principal amount not to exceed \$1,465,075 to finance the cost of installation of new water and sewer infrastructure (approximately 2,539 LF of 16" DIP Sewer, 2,456 LF of 8" DIP Sewer, 22 Sanitary Sewer Manholes, 6,265 LF 12" DIP Water, and new 10" Master Meter) in the vicinity of the NC Highway 61 and US Highway 70 intersection in Gibsonville, NC (the "Project").

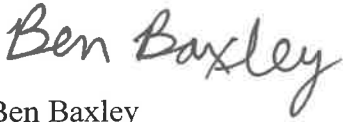
The estimated cost of the project is \$2,930,150. The Town of Gibsonville has committed \$1,465,075 towards this project. The obligations of the Town under the Agreement will be secured by a deed of trust or security interest in all or a portion of the project being financed, together with any improvements located or to be located thereon.

The Town is seeking approval from the Local Government Commission for installment financing in the amount of \$1,465,075 with a term of 12 years, which is less than the expected useful life of the property/project being financed. The Hwy 61 and Hwy 70 Water and Sewer Extension project debt service will be paid annually with Water and Sewer Fund revenues. Regarding the installment financing, it is expected that the

financial institution to provide the financing pursuant to the Agreement will be selected pursuant to a request for proposals, at which time the interest rate shall be determined for the Agreement. Under the current market conditions, the Town expects a true interest cost of the financing of approximately 2.5%. The Town expects to obtain approval of the Local Government Commission on February 2, 2021 and close on the installment financing not later than February 12, 2021.

If you have any questions or require any further information about this proposed financing, please do not hesitate to contact me.

Thanks,

A handwritten signature in dark ink that reads "Ben Baxley". The signature is written in a cursive, slightly slanted style.

Ben Baxley
Town Manager

Cc: Local Government Commission